

**MINUTES OF THE  
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT  
June 17, 2005 Meeting**

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<b>Members Present:</b>	<b>By phone</b> -Mel Lavitt, Jack Brittain, Cliff White, Jerry Oldroyd, Bill Boyle, David Simmons, Deb Tanzi, Joel Bradford, Gerald Sherratt <b>In Person-</b> Mary Draper, Richard Nelson
<b>Members Absent:</b>	DelLoy Hansen, Mark Howell, Amy Rees-Lewis, and Malonai Hola
<b>Visitors:</b>	Brice Wallace, Glen Warchol, Stephanie Frohman,
<b>Staff:</b>	Tamee Roberts, Connie Gates, Martin Frey, Annette Babisz, Thamina Sbai, Jerrold Jensen, Nicole Toomey Davis, Courtney Suttter, Aaron Syrett

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**Welcome**

Chairman David Simmons welcomed the GOED Board, staff, and guests by conference call and had a role call, f followed by a motion to approve May minutes.

**MOTION:** Jerry Oldroyd motioned to approve May, 2005 minutes; Bill Boyle seconded the motion; motion carried.

**Department Report**

Martin Frey gave an update on key initiatives at a high level. We are structured around creating companies, growing companies, and recruiting companies. As we looked at our strategies for focusing in those three areas, we realize that we had not done a complete flow-down of our departmental metrics. These strategies will be presented at the next board meeting. At a high level under creating companies the failure rate of new companies that get started in trying to ensure their sustainability, under grow companies we are looking at the number of mid size companies both public and private and the tech sector growth, and under recruit companies we are looking at the number of jobs with median income higher than the county averages which we recruit them. They are the top-level goals that we look at in each program. At a high level we are looking at the overall job growth, median income and income as a percent of national average for Utah. We broke down those metrics in each of the program areas and we have metrics that are quite conducive to driving the behavior and performance that we want out of the team. We have also established a performance management plan to ensure that the internal workings of the division are functioning effectively and that people understand their individual contributions and how they contribute to the overall success of the team. We have added eleven people to the team and have four offers outstanding and will continue to add people in the programs to support the initiatives that we have.

We are focusing on the alignment of the research universities. Governor Huntsman, Jack Brittain, President Young, and Martin met with the University of Utah really strategizing around ensuring close alignment between the research universities and looking to ensure that they tied in with the needs of industry. The same process was done at Utah State University with Gary Hooper, Vice President of Research at BYU and aligned with them as well.

**Centers of Excellence**

The review process has taken place with the Centers of Excellence. Nicole Toomey Davis gave a review of the Centers to make sure everyone understands the program. She explained that in short, the Centers of Excellence Program is a program that helps accelerates commercialization of some of our most promising university technology. The goal is to take that technology which gets to a research or bench phase, and turn it into technology that can be products (turn into companies, or strengthen existing Utah companies). Ms. Toomey Davis also gave a status report on the Centers and explained that the board members would be voting on the seventeen selected Centers selections today. An outline of the Centers of Excellence was sent via email to all board members. Richard Nelson further explained who makes up the advisory committee and the roles that they play.

**Capital Formation**

There has been a close alignment with the fund of funds initiative and are waiting to see how that will play out. We have met with a number of financing companies to look to see how we can more effectively integrate them and disseminate their service offering to the entrepreneurs across the state.

**Entrepreneurial Development**

We have had two very significant initiatives come forth. We have been meeting with the SBDC, SBA, SCORE, Association of Governments, Chambers of Commerce, and have come to a conclusion jointly that we really have an opportunity to jointly engage a co-branding initiative and to be a tightly integrated network of service providers, all looking to support entrepreneurial development in the state. This initiative will be called Utah Business Link; and will be both a software component with a portal for entrepreneurs and a unified and integrated collection of all the suite of knowledge that we want entrepreneurs in the state to know. It will also have a business –to-business directory which will be the infrastructure to support a “Buy Utah First” campaign and it will also have the technology to support matching up individuals whether they be at the management level, the professional level, or even the internship level to job opportunities and to accelerate the matching of talent with the available jobs and career opportunities within the state. We will couple that with an initiative called Utah Business Resource Centers where we will try to leverage some of the existing facilities that exist around the state for entrepreneurial development. We will bring them under this same brand and they will be focused on supporting entrepreneurs. The idea being it is very confusing to entrepreneurs and new CEO’s where to get the resources. They see a number of entities all over the state providing services, some offering some services, some offering the others. We are going to try very hard to provide a unified simple presentation to them so they have an easier time accessing resources to help them succeed and also co branding this so they know what is available.

#### Growing Companies

Our major initiative this last month has been the cluster initiative. We have made great progress on defining the clusters we have strong concurrence, we have the list in place, and the Governor will announce the clusters next week at the CEO Summit and Tech at Breakfast next Friday. The goal with these clusters is to ensure that we are promoting and accelerating the fertile environment for these companies in these business areas, to be successful. It builds on the strength of Utah, on both the strengths within the Wasatch Front and in Rural Utah. Many of the clusters are rural based. It also has the opportunity for each of to try to align the various entities that need to come into play, whether they be the research, the technology commercialization process, industry and industry productivity, capital, talent and government all need to play a role in support of clusters. If we can align all of these organizations, the competitiveness of the companies that we’re focusing on, will truly be moving forward at a faster rate than if we had not focused in this area.

#### International Program

This month, the governor laid out a focus for us to go after and be prepared for a world trade center status as an official designation allowing us to receive the benefits from the world trade center organization as well as an international recognition that allows us to have leverage both on the commercial front and on the diplomatic front. It requires us to do a better job of coordinating our international efforts both on the diplomacy and on the trade side, and in working with the organizations across the state and ensuring that we have an integrated plan, leveraging the opportunities that we become aware of. We are also working on the export guide, developing some internal policies and procedures to support the program and our getting ready for our visit with Presidente Fox from Mexico.

#### Procurement

On KSL, we were acknowledged for helping place 80 jobs with the Navasow Corporation on the Navajo reservation and we have done a good job in getting some great successes on the various reservations. We have also been focusing on renewing the 8A contractor status with a number of companies across the state in helping them insure that that ability to bid on those contracts and to make sure those companies understand what the process is for those contracts that are available on a daily basis. We have split the procurement group into two specific functions. One is education and ensuring that we do a good job in educating those companies on what the process on Federal and State procurement is; and the other going after business development opportunities—looking at how we can increase the amount of DOD Homeland security and defense dollars coming into the State. We are also helping with the management acquisition process—how to accelerate the process and what role the Government should play.

#### Recruiting

We have issued an RFP through the State Procurement office for partners for helping us with the recruiting process. At is currently underway—we’ve received some RFP’s back and David Simmons will explain that as a separate issue. We are also leveraging HB11—the tax rebate opportunity that enables us to be more competitive with other states and were strategizing through how best to structure those to be good stewards of the tax revenue for the state, as well as be competitive as we implement that as a new tool. We are beginning to work with the travel and tourism group to look at what the states brand strategy is and how that will get developed with Leigh von der Esch’s team to really look at how we can position the Utah brand for both corporate recruiting, employee relocation, and for all the travel and visitors whether they be for business or tourism.

## **Committee Reports**

### ***Centers of Excellence***

Nicole Toomey Davis announced there were thirty four centers that put in proposals for the 2005-06 fiscal years. We had seventeen existing seeking renewals, and seventeen new centers. The recommendation is to fund seventeen centers; five new centers and twelve existing. In addition there were three proposals that the council felt significant potential, but the business case was not understood. Nicole explained that our focus now is to get technology to market and is working with State Purchasing to get an RFP out for solicitation of consultants who have expertise doing that. She suggested that board members might be interested in sharing this information with their networks. The members were directed to a confidential list of centers for an overview of each and their budgets. Statistical reports were identified and Ms. Toomey Davis replied to the support of those requests. Chairman Simmons asked for a motion to approve

**MOTION: Joel Bradford moved to approve the motion to approve the Centers; Gerry Sherratt seconded the motion; motion carried.**

### **Chairman Report**

Chairman Simmons talked about the recruitment RFP effort underway. The state issued a RFP that is being coordinated by Purchasing and Administration and was sent out requesting proposals from private firms, quasi-private firms to handle the corporate and industrial recruitment services. There was only one response to the RFP, from the Economic Development Corporation of Utah. A committee was formed that consists of Martin Frey, Dick Bradford, and Dave Simmons along with a purchasing agent with the State of Utah. Additional information has been requested and they are in process on the review at the present time. The key issue is to make certain that there is a very solid feeling that by outsourcing the requirements that the state is accomplishing two things. First, that there is actually a significantly better level of recruitment services that can be provided, and second that it can be handled in a more financially efficient manner than what the state has been spending in the past. Martin further explained some of the past challenges working with site selections for new business. One fundamental change being made as part of the recruiting process is to form a certified site program. There would be qualifications for each parcel of land such as, infrastructure, etc. and take out all of the hidden surprises.

### **Other Business**

The next meeting will be a July 15, 2005 retreat.

July 15, 2005 Agenda:

Approval of June, 2005 minutes

Committee Reports

Division Report

With no further business, Chairman Simmons adjourned the meeting.